

**TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name TOWNSHIP OF TROWBRIDGE	County ALLEGAN
Audit Date MARCH 31, 2005	Opinion Date OCTOBER 10, 2005	Date Accountant Report Submitted to State: OCTOBER 15, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) SCOTT E. CAMPBELL, PC			
Street Address 422 WATER ST		City ALLEGAN	State MI
Accountant Signature Scott E. Campbell CPA		ZIP 49010	Date 10-10-05

TOWNSHIP OF TROWBRIDGE

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INDEPENDENT AUDITOR'S REPORT

October 10, 2005

To the Township Board
Township of Trowbridge
Allegan County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Trowbridge, Allegan County, Michigan as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Trowbridge Township, Allegan County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

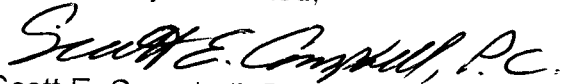
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Trowbridge as of March 31, 2005, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis- for State and Local Governments, as of March 31, 2005.

The management's discussion and analysis and budgetary comparison information on page 2 and 20-22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,


Scott E. Campbell, P.C.
Certified Public Accountant

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 12 1/2% from a year ago - increasing from \$970,278 to \$1,091,624. Our road millage remained consistent with the previous year and will result in similar funds for road improvements. New construction continues to be strong in our Township resulting growth in our tax base. We have continued to transfer general funds into the roads and fire budget planning for future projects.

The Township's net assets continue to remain healthy.

Contacting The Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Supervisor.

TOWNSHIP OF TROWBRIDGE
GOVERNMENT WIDE STATEMENT OF NET ASSETS
MARCH 31, 2005

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 888,117	\$ 888,117
Receivables-net	42,216	42,216
Due from other funds	2,250	2,250
Prepays	4,412	4,412
Capital assets-net	<u>162,519</u>	<u>162,519</u>
 Total Assets	 <u>1,099,514</u>	 <u>1,099,514</u>
LIABILITIES		
Accounts payable	5,640	5,640
Accrued and other liabilities	-	-
Due to other funds	<u>2,250</u>	<u>2,250</u>
 Total Liabilities	 <u>7,890</u>	 <u>7,890</u>
NET ASSETS		
Invested in capital assets net of related debt	162,519	162,519
Restricted For		
Streets and highways	397,962	397,962
Public safety	65,573	65,573
Unrestricted	<u>465,570</u>	<u>465,570</u>
 Total Net Assets	 <u>\$ 1,091,624</u>	 <u>\$ 1,091,624</u>

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF TROWBRIDGE
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2005

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets		
					Governmental Activities	Primary Government Business-Type Activities	Total
Primary Government							
General government	\$ 87,692	\$ 6,669	\$ -	\$ -	\$ (81,023)	\$ -	\$ (81,023)
Public safety	49,670	2,954	-	-	(46,716)	-	(46,716)
Public works	60,465	4,218	-	-	(56,247)	-	(56,247)
Health and welfare	2,500	-	-	-	(2,500)	-	(2,500)
Community/Economic development	24,360	21,434	-	-	(2,926)	-	(2,926)
Recreation and culture	4,250	-	-	-	(4,250)	-	(4,250)
Total Governmental Activities	228,937	35,275	-	-	(193,662)	-	(193,662)
Total Primary Government	\$ 228,937	\$ 35,275	\$ -	\$ -	(193,662)	-	(193,662)
General Revenues							
Property taxes					105,598	-	105,598
State-shared revenues					180,158	-	180,158
Investment earnings					17,110	-	17,110
Franchise fees					2,131	-	2,131
Miscellaneous					10,011	-	10,011
Transfers					-	-	-
Total General Revenues-Special Items and Transfers					315,008	-	315,008
Change in Net Assets					121,346	-	121,346
Net Assets-Beginning					970,278	-	970,278
Net Assets-Ending					\$ 1,091,624	\$ -	\$ 1,091,624

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE
GOVERNMENTAL FUND BALANCE SHEET
MARCH 31, 2005**

	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>
ASSETS			
Cash and cash equivalents	\$ 423,023	\$ 389,845	\$ 69,573
Investments	-	-	-
Receivables-net	34,099	8,117	-
Due from other funds	2,250	-	-
Prepays	4,412	-	-
	<u>463,784</u>	<u>397,962</u>	<u>69,573</u>
Total Assets			
LIABILITIES			
Accounts payable	5,640	-	-
Due to other funds	-	-	-
	<u>5,640</u>	<u>-</u>	<u>-</u>
Total Liabilities			
FUND BALANCES			
Reserved For			
Road projects	-	397,962	-
Public safety	-	-	69,573
Unreserved	458,144	-	-
	<u>458,144</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 458,144</u>	<u>\$ 397,962</u>	<u>\$ 69,573</u>

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

Net Assets of Governmental Activities

The Notes to Financial Statements are an integral part of this statement.

<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 5,676	\$ 888,117
-	-
-	42,216
-	2,250
-	<u>4,412</u>
<u>5,676</u>	<u>936,995</u>
-	5,640
<u>2,250</u>	<u>2,250</u>
<u>2,250</u>	<u>7,890</u>
-	397,962
-	69,573
<u>3,426</u>	<u>461,570</u>
<u>\$ 3,426</u>	929,105
	<u>162,519</u>
	<u>\$ 1,091,624</u>

TOWNSHIP OF TROWBRIDGE
GOVERNMENTAL FUND STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2005

	General Fund	Road Fund	Fire Fund
Revenues			
Taxes and penalties	\$ 50,017	\$ 55,581	\$ -
Licenses and permits	-	-	-
State aid	180,158	-	-
Charges for services	11,572	-	-
Interest and rentals	12,634	-	-
Other revenue	10,011	8,275	601
Total Revenues	<u>264,392</u>	<u>63,856</u>	<u>601</u>
Expenditures			
Current			
General government	84,241	-	-
Public safety	-	-	40,491
Public works	10,489	49,976	-
Health and welfare	2,500	-	-
Recreation and cultural	4,250	-	-
Community/Economic development	2,964	-	-
Capital outlay	1,174	-	827
Total Expenditures	<u>105,618</u>	<u>49,976</u>	<u>41,318</u>
Excess of Revenues Over (Under) Expenditures	<u>158,774</u>	<u>13,880</u>	<u>(40,717)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	41,318
Transfers (out)	(41,318)	-	-
Total Other Financing Sources (Uses)	<u>(41,318)</u>	<u>-</u>	<u>41,318</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	117,456	13,880	601
Fund Balance-April 1, 2002	<u>340,688</u>	<u>384,082</u>	<u>68,972</u>
Fund Balance-March 31, 2003	<u>\$ 458,144</u>	<u>\$ 397,962</u>	<u>\$ 69,573</u>

The Notes to Financial Statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 105,598
21,434	21,434
-	180,158
-	11,572
-	21,510
-	10,011
<u>21,434</u>	<u>350,283</u>
-	84,241
-	40,491
-	60,465
-	2,500
-	4,250
21,396	24,360
-	2,001
<u>21,396</u>	<u>218,308</u>
<u>38</u>	<u>131,975</u>
-	41,318
-	<u>(41,318)</u>
-	-
38	131,975
<u>3,388</u>	<u>797,130</u>
<u>\$ 3,426</u>	<u>\$ 929,105</u>

**TOWNSHIP OF TROWBRIDGE
FIDUCIARY FUNDS-STATEMENT OF NET ASSETS
MARCH 31, 2005**

	Agency Fund Type (Property Tax Collection Fund)
ASSETS	
Cash and cash equivalents	\$ 8,946
Total Assets	<u>\$ 8,946</u>
LIABILITIES	
Due to other governmental units	\$ 8,946
Total Liabilities	<u>\$ 8,946</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Trowbridge, Allegan County, Michigan is a general law Township. The Township operates under an elected Board/Supervisor form of government and provides the following services as authorized by its charter: public safety, highways and streets, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Township of Trowbridge conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road Fund is a Special Revenue Fund of the Township. The Road Fund is used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

The Fire Fund is a Special Revenue Fund of the Township. The Fire Fund is used to account for all financial resources of public safety.

TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

Additionally, the government reports the following non-major fund types:

The Building Inspection Fund is a Special Revenue Fund of the Township. The Building Inspection Fund is used to account for all resources of the Township's permits and licenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Finally, the government reports the following fund types:

The Tax Collection Fund is a Fiduciary Fund accountable for assets held by the Township in a trustee or agency capacity for individuals, private organizations, other governments, and/or other funds.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Receivables and Payables-(Continued)

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed. Summer state education taxes are collected directly by the county.

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements only for the effect of the inclusion of capital assets.

Capitalized Asset Costs	\$ 319,988
Less Accumulated Depreciation	<u>(157,469)</u>
Capital Assets, net	162,519
Governmental Fund Balances	<u>929,105</u>
Net Assets of Governmental Activities	<u>\$ 1,091,624</u>

**TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005**

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations;

**TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005**

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 888,117	\$ 8,946	\$ 897,063

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	
Investments in Securities, Mutual Funds and Similar Vehicles	\$ 897,063
Petty Cash and Cash on Hand	-
Total	<u>\$ 897,063</u>

The bank balance of the primary government's deposits is \$897,063, of which \$855,852 is covered by federal depository insurance.

TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds			Non-Major and Other Funds	Total
	General Fund	Road Fund	Fire Special Millage		
Taxes receivable	\$ 34,099	\$ 8,117	\$ -	\$ -	\$ 42,216
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Less: Allowance for uncollectibles	-	-	-	-	-
Net Receivables	<u>\$ 34,099</u>	<u>\$ 8,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,216</u>

**TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005**

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 15,105	\$ -	\$ -	\$ 15,105
Construction in progress	-	-	-	-
Subtotal	<u>15,105</u>	<u>-</u>	<u>-</u>	<u>15,105</u>
Capital Assets Being Depreciated				
Buildings	81,430	-	-	81,430
Improvements other than buildings	-	-	-	-
Machinery and equipment	221,452	2,001	-	223,453
Infrastructure	-	-	-	-
Subtotal	<u>302,882</u>	<u>2,001</u>	<u>-</u>	<u>304,883</u>
Less Accumulated Depreciation for				
Buildings	43,249	2,035	-	45,284
Improvements other than buildings	-	-	-	-
Machinery and equipment	101,590	10,595	-	112,185
Infrastructure	-	-	-	-
Subtotal	<u>144,839</u>	<u>12,630</u>	<u>-</u>	<u>157,469</u>
Net Capital Assets Being Depreciated	<u>158,043</u>	<u>(10,629)</u>	<u>-</u>	<u>147,414</u>
Governmental Activities Capital Total				
Capital Assets-Net of Depreciation	<u>\$ 173,148</u>	<u>\$ (10,629)</u>	<u>\$ -</u>	<u>\$ 162,519</u>

The Township has been formed and assets acquired well over 40 years ago. Historical costs and market values at time of land and building donations are not known. Many assets are fully depreciated with unknown salvage values. The most recent asset acquisitions are recorded and depreciated.

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
General government	\$ 3,451
Public safety	9,179
Public works	-
Economic development	-
Recreation and culture	-
Total Governmental Activities	<u>\$ 12,630</u>

TOWNSHIP OF TROWBRIDGE
ALLEGAN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Building Insp.	\$ 2,250
Total		<u>\$ 2,250</u>

Interfund Transfers

<u>Transfers In</u>	<u>Transfers (Out)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	
Road Fund	\$ 41,318	\$ -	\$ 41,318
Fire Fund	-	-	-
Total	<u>\$ 41,318</u>	<u>\$ -</u>	<u>\$ 41,318</u>

**REQUIRED SUPPLEMENTAL INFORMATION
AND
ADDITIONAL INFORMATION**

**TOWNSHIP OF TROWBRIDGE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2005**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 340,688	\$ 340,688	\$ 340,688	\$ -
Resources (Inflows)				
Property taxes	51,000	51,000	50,017	(983)
State aid	180,000	180,000	180,158	158
Licenses and permits	-	-	-	-
Charges for services	11,500	11,500	11,572	72
Interest and rentals	8,500	8,500	12,634	4,134
Miscellaneous revenues	4,500	4,500	10,011	5,511
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>596,188</u>	<u>596,188</u>	<u>605,080</u>	<u>8,892</u>
Charges to Appropriations (Outflows)				
General Government				
Township board	13,600	13,600	12,346	1,254
Supervisor	19,825	19,825	14,435	5,390
Finance	1,475	1,475	1,068	407
Treasurer	13,053	13,053	9,389	3,664
Assessing	5,000	5,000	3,187	1,813
Clerk	13,160	13,160	9,696	3,464
Elections	9,350	9,350	5,297	4,053
Other General Government				
Miscellaneous	4,700	7,500	7,203	297
Building and grounds	8,270	12,500	11,945	555
Attorney	2,000	2,000	400	1,600
Cemetery	11,400	11,400	10,449	951
Public Safety				
Fire	-	-	-	-
Building inspections	-	-	-	-
Public Works				
Roads	-	-	-	-
Transfer station	11,900	11,900	10,489	1,411
Recreation and culture	1,500	4,500	4,250	250
Health and welfare	17,900	7,870	2,500	5,370
Commercial planning and development	11,250	11,250	2,964	8,286
Transfers to other funds	<u>111,117</u>	<u>111,117</u>	<u>41,318</u>	<u>69,799</u>
Total Charges to Appropriations	<u>255,500</u>	<u>255,500</u>	<u>146,936</u>	<u>108,564</u>
Budgetary Fund Balance-March 31	<u>\$ 340,688</u>	<u>\$ 340,688</u>	<u>\$ 458,144</u>	<u>\$ 117,456</u>

**TOWNSHIP OF TROWBRIDGE
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED MARCH 31, 2005**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
Beginning of Year Fund Balance	\$ 329,700	\$ 329,700	\$ 384,082	\$ 54,382
Resources (Inflows)				
Property taxes	52,700	52,700	55,581	2,881
Interest	5,800	5,800	8,275	2,475
Transfers from other funds	33,867	33,867	-	(33,867)
Amounts Available for Appropriation	<u>422,067</u>	<u>422,067</u>	<u>447,938</u>	<u>25,871</u>
Charges to Appropriations (Outflows)				
Public Works				
Roads	<u>33,867</u>	<u>33,867</u>	<u>49,976</u>	<u>(16,109)</u>
Total Charges to Appropriations	<u>33,867</u>	<u>33,867</u>	<u>49,976</u>	<u>(16,109)</u>
Budgetary Fund Balance-March 31	<u>\$ 388,200</u>	<u>\$ 388,200</u>	<u>\$ 397,962</u>	<u>\$ 9,762</u>

**TOWNSHIP OF TROWBRIDGE
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
YEAR ENDED MARCH 31, 2005**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
Beginning of Year Fund Balance	\$ 68,972	\$ 68,972	\$ 68,972	\$ -
Resources (Inflows)				
Interest	650	650	601	(49)
Transfers from other funds	<u>77,250</u>	<u>77,250</u>	<u>41,318</u>	<u>(35,932)</u>
Amounts Available for Appropriation	<u>146,872</u>	<u>146,872</u>	<u>110,891</u>	<u>(35,981)</u>
Charges to Appropriations (Outflows)				
Public Safety				
Fire	<u>77,250</u>	<u>77,250</u>	<u>41,318</u>	<u>35,932</u>
Total Charges to Appropriations	<u>77,250</u>	<u>77,250</u>	<u>41,318</u>	<u>35,932</u>
Budgetary Fund Balance-March 31	<u>\$ 69,622</u>	<u>\$ 69,622</u>	<u>\$ 69,573</u>	<u>\$ (49)</u>

**TOWNSHIP OF TROWBRIDGE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2005**

	<u>Special Revenue Funds</u>	<u>Total</u>
	<u>Building</u>	<u>Non-Major</u>
	<u>Inspection</u>	<u>Governmental</u>
		<u>Funds</u>
Assets		
Cash and cash equivalents	\$ 5,676	\$ 5,676
Investments	-	-
Taxes receivable	-	-
Accounts receivable	-	-
Due from State of Michigan	-	-
Due from local units	-	-
Total Assets	<u>\$ 5,676</u>	<u>\$ 5,676</u>
Liabilities and Fund Equity		
Liabilities		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Due to general fund	2,250	2,250
Advances from State	-	-
Advances from other counties	-	-
Deferred revenue	-	-
Total Liabilities	<u>2,250</u>	<u>2,250</u>
Fund Balance		
Reserved	3,426	3,426
Unreserved	-	-
Designated	-	-
Undesignated	-	-
Total Fund Equity	<u>3,426</u>	<u>3,426</u>
Total Liabilities and Fund Equity	<u>\$ 5,676</u>	<u>\$ 5,676</u>

TOWNSHIP OF TROWBRIDGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2005

	<u>Special Revenue Funds</u>	<u>Non-Major Governmental Funds</u>
	<u>Building Inspection</u>	
Revenues		
Taxes and penalties	\$ -	\$ -
Charges for services	21,434	21,434
Interest and rentals	-	-
Other revenue	-	-
Total Revenues	<u>21,434</u>	<u>21,434</u>
Expenditures		
Current		
Judicial	-	-
General government	-	-
Public safety	-	-
Recreation and cultural	-	-
Other	21,396	21,396
Debt service	-	-
Capital outlay	-	-
Total Expenditures	<u>21,396</u>	<u>21,396</u>
Excess of Revenues Over (Under) Expenditures	38	38
Other Financing Sources (Uses)		
Operating Transfers In	-	-
Operating Transfers (Out)	-	-
Bond Proceeds	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Excess of Revenue and Other Sources Over (Under)		
Expenditures and Other Uses	38	38
Fund Balance-April 1, 2004	<u>3,388</u>	<u>3,388</u>
Fund Balance-March 31, 2005	<u>\$ 3,426</u>	<u>\$ 3,426</u>

SCOTT E. CAMPBELL, P.C.

CERTIFIED PUBLIC ACCOUNTANT

Member of AICPA and MACPA

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October 10, 2005

In planning and performing the audit of the Basic Financial Statements of the Township of Trowbridge for the year ended March 31, 2005, we considered the Township's internal control structure to determine audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of a few matters that are an opportunity to strengthen internal control and increase operating efficiency. We offer the following items for your consideration.

General Fund

The General Fund has one investment account that exceeds the federal depository insurance limit. The township should consider transferring the excess funds to a different bank.

Building Inspection Fund

The Building Inspection Fund owes \$2,250 to the General fund for administrative fees. This payment should be made as soon as it is practical.

Tax Collection Fund

It is recommended that all tax receipts collected by the treasurer in the latter part of March be disbursed from this fund prior to March 31.

General

In general the internal control systems of the Township are good and functioning properly. The comments noted above will help the Township strengthen the existing controls and will help provide greater accountability to residents of the Township.

We greatly appreciate the help and cooperation given us by all Township employees and officials.

Respectfully submitted,



Scott E. Campbell, P.C.

Certified Public Accountant